



**STATEMENT**

**SUBCOMMITTEE ON INCOME SECURITY AND FAMILY SUPPORT  
THE COMMITTEE ON WAYS AND MEANS**

**U.S. HOUSE OF REPRESENTATIVES**

**HEARING ON  
TANF's ROLE IN PROVIDING ASSISTANCE TO STRUGGLING  
FAMILIES**

**MARCH 11, 2010**

The Child Welfare League of America (CWLA), a ninety year-old organization representing hundreds of public and private child-serving member agencies located in all fifty states, offers the following comments and principles in regard to the reauthorization of the Temporary Assistance for Needy Families (TANF) reauthorization.

TANF was created in 1996 as part of a federal effort to reform public assistance. The law creating TANF fundamentally changed the way the federal government provides assistance to low-income families with children. Instead of providing an open-ended entitlement to parents with children under the Aid to Families with Dependent Children (AFDC) program, TANF became a capped block grant distributed from the federal government to the states.

TANF funding continues at the same level of funding set in that year at \$16.5 billion, along with smaller bonus funds. States are no longer required to provide matching state funds to draw down federal AFDC dollars, but they do have to maintain a specific level of spending, or maintenance-of-effort (MOE). States must spend 75 percent to 80 percent of what they were spending under AFDC.<sup>1</sup> States have to use TANF funds to serve families with children with the reduced state spending tied to how much a state has reduced its cash assistance caseload of families. Within these parameters the law allows broad flexibility in how funds are spent. State may set their own income eligibility standards, time on assistance, and benefit levels. States may spend federal TANF funds on a range of services in addition to cash assistance. States can establish different income eligibility standards for each program funded by the TANF block grant.

TANF is significant to child welfare in two ways. First, state surveys indicate that nearly 20 percent of federal child welfare funds (over \$2.3 billion a year) comes from the federal TANF block grant<sup>2</sup>. These TANF funds represent a significant source of federal funding for child welfare services including prevention and wrap-around services. Second and sometimes overlooked, TANF touches the lives of some of the same families that are affected by a state's child welfare system. With approximately 65 percent of children abused and neglected falling into the neglect category, many of these serious cases of neglect involve issues of income support, lack of mental health and substance abuse services, housing, proper supervision and lack of family supports, and other complex issues that lead to negative effects on child well-being. Some of these challenges can be addressed under TANF. In addition, AFDC and now TANF have always included a classification of families where the adult does not receive a benefit but the child does. These child-only families include a significant percentage of families who are relative or kinship care families.

## **Child Well-Being Recommendations**

### *Coordination Between TANF and Child Welfare*

In 2002, the Bush Administration proposed to tie child well-being to the purposes of the TANF statute. The original purposes in the 1996 act did not include such provisions and they were not adopted in 2002. CWLA again encourages Congress to consider strengthening the purposes of TANF in this way. In 2008 this Subcommittee took a significant step in passing the Fostering Connections to Success and Promoting Adoptions Act (PL 110-351). Part of the significance of this act was that it more formally began the process of linking the child welfare system to child well-being. Included in this new law is a directive to state child welfare agencies to better

coordinate with state Medicaid agencies as well as other health care entities to improve health care for children in care. The law also directs that child welfare agencies better coordinate with local education agencies on assuring that children in foster care are guaranteed better access to education. CWLA is now advocating to various congressional committees that the same directive that now exists for state child welfare agencies also be extended to state and local education agencies.

As this Subcommittee reviews this reauthorization and as it attempts to build on the Foster Connections to Success Act, we urge you to consider better and stronger coordination and consultation between state TANF agencies and child welfare agencies. There are numerous ways in which coordination and consultation might improve state TANF policy in regard to child well-being. Challenges and problems exist in both child welfare and TANF including child poverty, adequate housing, access to mental health services, substance abuse treatment, the role of relative care and time limits. Stronger coordination of policy and practice between these systems would be a significant gain in federal policy and would be consistent with recently enacted legislation.

#### *Child Poverty*

Before the full impact of this recession is realized, this nation had already experienced significant increases in poverty overall and child poverty in particular. Between 2007 and 2008 poverty rates had increased to a rate of 13.2 percent<sup>3</sup>, up from the rate of 12.5 percent in 2007. This came on top of increases in the middle of the last decade despite not being in a recession. The impact of TANF on child poverty has declined markedly over ten years and particularly on children in deep poverty (those in families at less than 50 percent of the federal poverty levels). According to the <sup>4</sup>Center on Budget Policy and Priorities, by 2005 TANF was lifting only 650,000 out of deep poverty compared to 2.2 million children being lifted out of deep poverty in 1995. If we are concerned about improving the well-being of the most vulnerable children in this country then these numbers can't go unchallenged.

Within the context of TANF and the next reauthorization there are a number of important steps that Congress can take to help address this challenge. One such step is to begin tracking the number of children in deep poverty and tracking how many of these families are receiving TANF assistance. This data should be collected by state as a measure of where progress is being made and where children are worse off. By doing this, it will influence both the debate and the policies being implemented.

#### *Screening for Services*

CWLA recommends that all families seeking TANF assistance should participate in an initial screening by a trained caseworker to identify and screen for barriers to work, such as substance abuse. This initial screening would identify potential barriers that interfere with the family's ability to work requisite hours and otherwise comply with program requirements. If the screening identifies potential barriers for the parents or safety risks for the children, the caseworker should conduct a full family assessment and, where necessary, refer the family member for a professional evaluation to assess substance abuse, behavioral health, or other concerns beyond the worker's expertise.

We also believe that TANF workers should be trained to screen for barriers to work that include substance abuse, physical and behavioral health, and domestic violence, and risk to child safety. Workers should also receive training in family assessment, enabling them to assess the needs, strengths, and resources of families as a tool for developing a plan that will lead to successful work and promote a safe environment for the children. Finally, for families already involved with the child welfare system, workers should be encouraged to conduct joint assessments and planning with child welfare so that both systems support families in their efforts to succeed in the workplace and as parents.

#### *Funding levels*

Funding levels need to be addressed if we are to make TANF into a more effective safety net. The TANF block grant is still based on financial data from more than 15 years ago. In addition the contingency fund under TANF should also be strengthened. This fund was little used through its first reauthorization but in this deep recession that has not been the case. Were it not for the American Recover and Reinvestment Act (ARRA) and the additional TANF emergency relief provided through that measure, many families would be in even worse shape. The lesson should not be missed. If enhanced emergency funding provided in a more permanent structure of a contingency fund is not part of this reauthorization states will be forced into a policy that causes them to restrict cash assistance, subsidized job creation and other support measures. If an act of Congress is required to make recession relief funds available, then states will be reluctant to use their annual block grant in ways that could help families leave poverty on the belief they may need to hold onto annual TANF funds for a future emergency. We urge the Congress to look at measures that will respond to a recession in an automatic or systematic way.

#### *Workforce Incentives*

TANF was designed with a set of outcomes tied to adults going to work either full or part time. Unfortunately although this was an outcome written into the law, the cash incentives for states in the form of reduced state spending requirements was tied to a policy of reduced caseloads. A reduced caseload means reduced state work benchmarks. Meeting those benchmarks means the state has the ability to meet the lower spending requirement. The caseload reduction benchmark became the informal measure of success and received all of the press attention. Success of TANF was not focused on adults going to work and being able to support their families but rather it was on the number of adults leaving cash assistance. In many instances we don't know where these people went and how well their families have done. In 2006 fewer people left TANF for work (18.7 percent) than for failure to cooperate or sanctions (29 percent).<sup>5</sup>

CWLA urges Congress to redesign this caseload reduction credit. In 2002, Chairman Sander Levin introduced the "Making Work Pay Act," H.R. 4057. That legislation would have amended TANF to reward states by providing a work credit (and reduced state spending) based on the adults who left TANF for work. His proposal in fact increased that work credit if that person went to a higher paying job. We urge Congress to replace the current caseload reduction credit with one based on people leaving TANF to go to work. This will help shape work policies and improve the well-being of those children in TANF families.

## **Child Welfare and TANF Recommendations**

### *Relative Care*

TANF creates a five year limit on access to federal cash assistance funds. Some states have shorter or longer limits. In addition there may be additional time limits on access to education, job search activities, and participation in substance abuse treatment and other elements in a TANF program. There are also national time-limits through child welfare law on states to make decisions on the placement of children including the termination of parental rights. TANF and child welfare agencies may not always be housed in the same state agency, their budgets may be separate and their policies may not always be crafted by the same officials. Just as this Subcommittee directed greater coordination between child welfare agencies and education and health agencies you should also require greater coordination between the TANF cash assistance programs and state child welfare programs.

With the enactment of the Fostering Connections to Success Act, Congress now allows, as a state option, the ability to establish formal kinship/guardianship programs through Title IV-E funding. In 2005 of the 1.5 million children in TANF child only families, 460,000 were children living with a relative, usually a grandparent. These families received a smaller monthly grant than they would have under a formal Title IV-E kinship care grant. Many of these families may be better served through TANF as they are not involved with the child protection or child welfare system, at the same time we would not want decisions of a state to take or not take the Title IV-E subsidized guardianship option solely based on the status of a state's federal TANF funding reserves or whether or not a Title IV-E program requires a state match. Rather the decision of whether a child is served by TANF or by child welfare should be based on individual cases and as always, the child's best interests. A strong kinship/guardianship program will not only support a relative family with a monthly grant but with needed post-permanency services. These services may not be automatically available under a TANF program. A TANF program's casework is structured differently. CWLA looks forward to working with the Subcommittee on ways in which greater collaboration and coordination between child welfare and TANF can be included in the next reauthorization.

### *Work Requirements*

CWLA urges Congress to carefully consider changes to the existing TANF work requirements and how they will affect children. One of the important messages of the 1996 law was the emphasis on work. The value of a job is important because it provides obvious financial benefits to children. A quality job that allows a parent to advance in skills and income is important to families and children. A good job strengthens opportunities for parents that can benefit children. TANF already includes definite work requirements and targets for parents and states. In 2005 these requirements became more stringent. At the start of the debate over the last reauthorization there was much talk about those families still struggling on TANF, sometimes described as the hard to serve. These families, if they are still on assistance, still face some of the same difficulties in terms of learning disabilities, access to needed mental health services, mental health screening, substance abuse services and educational needs. Other families such as many living in remote rural areas have other challenges not the least of which are access to jobs.

A recent study by Children's Rights of the families in the New York City foster care system analyzed some of the barriers these families are facing. Of the parents involved with the foster care system:<sup>7</sup> 51 percent of parents did not receive needed mental health screening, 30 percent did not receive needed substance abuse treatment, and 56 percent did not receive needed parenting skills classes. In addition, the study found that the most common allegations and concerns identified when children entered foster care included inadequate supervision (57 percent), parental drug and alcohol misuses (54 percent), parental mental illness (27 percent), and inadequate food/clothing/shelter (25 percent).

Failure to help families with such challenges and barriers may later show up in a state's child welfare system. We urge Congress to take a closer examination of the work requirements under TANF particularly as they relate to improved education, access to needed mental health and substance abuse services, and other barriers that may prevent someone from successfully transitioning to a permanent job.

In addition to these barriers we suggest Congress restore the original two-parent family work requirements that were less punitive than current work requirements. The original law recognized that many of the two-parent families on assistance faced significant barriers from being in rural areas where jobs may not allow both parents to work full time, to disabilities for one of the spouses or a child, to other challenges. The work requirements enacted were too restrictive and were in fact anti-marriage despite the intent of some of the proposed reforms of that reauthorization. We strongly urge Congress to eliminate the 90% work requirement for two-parent families that are unrealistic especially in rural areas and other areas that have limited job opportunities.

## **Child Care**

With or without increased work requirements, as a nation we must face the fact that our society has changed. Record levels of single parents with young children are in the workplace. Increasing numbers of two-parent families are discovering they need two incomes to make ends meet. As a result, we have an ever-growing need for child care.

CWLA applauds President Obama's FY 2011 budget proposal to substantial increase child care funding through the discretionary appropriations process and through an increase in mandatory funds.

The decade of the 1990s represented a historic increase in child care funding. It is also true that these increases came at the very same time as we experienced record workforce participation by parents with school-age and preschool children. In the 1990s, we also began to recognize the importance of early brain development and its impact on our national goals for education and child well-being. Despite these increases and progress made in the late 1990s funding for the Child Care and Development Fund (CCDF) is inadequate after a decade of near freezes in funding. Many families have been placed on long waiting lists to get the financial support they need and for which they are eligible. And waiting lists do not tell the full story, since many lists

may be limited in some way, and in some instances lists are not kept because the need is so great. Existing resources simply are not enough to meet the need.

In addition, states do not have adequate resources to ensure that child care services provided are of high quality. Many families who do receive child care support are forced to choose lower quality programs because states don't have the funds to reimburse programs at a level necessary to ensure quality.

We hope this Subcommittee will give the President's proposal for an \$800 million increase in child care funding through Title IV-A its strongest support. Improving the supply and the quality of child care funding is fundamental to strengthening both TANF and our early childhood learning system. Adequate and quality child care is also a child welfare issue and a child-well being issue of the highest importance.

### **Other Block Grants and Funding**

#### *Title IV-E Foster Care and Kinship Care*

The 1996 TANF law repealed the eligibility standards for AFDC. The TANF law of 1996 required states to look back to the AFDC rules that existed on July 16, 1996, to determine eligibility for Title IV-E Foster Care and Adoption Assistance. Thanks to the efforts of this Subcommittee and Congress this look-back or link is being phased out for adoption assistance. We now need Congress to finish the job in regard to foster care and the kinship care program. Whether Congress does this as part of this reauthorization or as a second phase of child welfare reform that also takes into account the need for greater prevention and post-permanency services, CWLA looks forward to working with you to remedy this situation.

#### *Social Services Block Grant*

The Social Services Block Grant (SSBG) has long been a vital source of human services funding. SSBG, like TANF provides significant child welfare funding. Other human services programs covered by SSBG include services for the aging and people with disabilities. Many of these services are provided by community and faith-based organizations. While states continue to use SSBG funds for child welfare, child care and other services, the reduction in SSBG funding since 1996 has eroded the block grant to such an extent that many human services are in competition for these funds. This comes at a time when the recession is increasing demands for services through the non-profit and religious community. These providers have always benefited at least indirectly through SSBG funding. CWLA urges Congress to restore SSBG. Originally it was reduced from \$2.8 billion to \$2.3 billion in 1996; SSBG was to be restored after five years. Instead of a restoration, a transportation reauthorization in 1998 cut SSBG further as an offset. We urge Congress to reverse this.

As part of that same highway funding bill, Congress (for budget scoring purposes) reduced the states ability to transfer 10 percent of TANF funds into SSBG to 4.25 percent. Each year appropriators pass a one-year restoration back to 10 percent for that fiscal budget. We urge Congress to permanently restore the transfer to 10 percent.

## Conclusion

The reauthorization of TANF can provide an important opportunity for Congress to build on the progress made when the Fostering Connections to Success Act was passed in 2008. In addition if Congress acts this year to fund child care at the levels the President has requested in his 2011 budget Congress can help build a better early childhood education system and help millions of struggling families across the country. We look forward to working with this Subcommittee in the coming months on these two important programs as well as your continuing work on child welfare financing.

## FOOTNOTES:

<sup>1</sup>. Administration on Children Youth and Families. *Major Provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PI 104-193)*. Available online at <http://www.acf.hhs.gov/programs/ofa/law-reg/finalrule/aspesum.htm>.

<sup>2</sup>. DeVooght, K.; Allen, T.; & Geen, R. (2008). *Federal, State, and Local Spending to Address Child Abuse and Neglect in SFY 2006*. Washington, DC: Child Trends.

<sup>3</sup>. Center on Budget Policy and Priorities. (2009). *Poverty Rose, Median Income Declined and Job-based Health Insurance Continued to Weaken in 2008*. Washington, DC: Author.

<sup>4</sup>. Center on Budget Policy and Priorities. (2009). *Safety Net Effective at Fighting Poverty But Has Weakened for the Very Poorest*. Washington, DC: Author

<sup>5</sup>. (2009). *TANF Eight Annual Report To Congress*. Washington, DC: Available online at: <http://www.acf.hhs.gov/programs/ofa/data-reports/annualreport8/ar8index.htm>

<sup>6</sup>. Administration on Children Youth and Families. (2009). *TANF Eight Annual Report to Congress*. Washington, DC: Available online at: <http://www.acf.hhs.gov/programs/ofa/data-reports/annualreport8/ar8index.htm>.

<sup>7</sup>. Children's Rights. (2009). *The Long Road Home: A Study of Children Stranded in New York City Foster Care*. Available online at <http://www.childrensrights.org/policy-projects/foster-care/permanency-in-new-york-city-2009>. New York: Author